CIVICO LIMITED

FINANCIAL STATEMENTS
Year ended 31 December 2021

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CIVICO LIMITED

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	Christa Theodorou
Company Secretary:	Iris Secretaries Ltd
Independent Auditors:	MOORE STYLIANOU & CO CERTIFIED PUBLIC ACCOUNTANTS AND REGISTERED AUDITORS 58 Arch. Makarios III Avenue Iris Tower, 6th Floor 1075 Nicosia Cyprus
Registered office:	58 Arch. Makarios III Avenue Iris Tower, 8th Floor 1075 Nicosia Cyprus
Bankers:	Bank of Cyprus Public Company Ltd Piraeus Bank A.E.
Registration number:	HE127517

Independent Auditor's Report

To the Members of Civico Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of parent company Civico Limited (the ''Company''), which are presented in pages 5 to 33 and comprise the statement of financial position as at 31 December 2021, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of parent company Civico Limited as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the ''Auditor's Responsibilities for the Audit of the Financial Statements'' section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Independent Auditor's Report (continued)

To the Members of Civico Limited

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent Auditor's Report (continued)

To the Members of Civico Limited

Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

George Stylianou
Certified Public Accountant and Registered Auditor
for and on behalf of
MOORE STYLIANOU & CO
CERTIFIED PUBLIC ACCOUNTANTS AND REGISTERED AUDITORS
58 Arch. Makarios III Avenue
Iris Tower, 6th Floor
1075 Nicosia
Cyprus

Nicosia, 12 October 2022

CIVICO LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
Year ended 31 December 2021

	Note	**2021** €	2020 €
Revenue	8	**39,085**	178,401
Cost of sales		**(22,411)**	(110,250)
Gross profit		**16,674**	68,151
Other operating income	9	**163,911**	376,635
Selling and distribution expenses		**(43,685)**	(3,972)
Administration expenses		**(132,168)**	(235,060)
Other expenses	10	**-**	(3,474)
Operating profit	**11**	**4,732**	202,280
Finance costs	12	**(186,177)**	(187,861)
(Loss)/profit before tax		**(181,445)**	14,419
Tax	13	**(6,797)**	(990)
Net (loss)/profit for the year		**(188,242)**	13,429
Other comprehensive income		**-**	-
Total comprehensive income for the year		**(188,242)**	13,429

CIVICO LIMITED

STATEMENT OF FINANCIAL POSITION
31 December 2021

	Note	**2021**	2020
		€	€
ASSETS			
Non-current assets			
Investments in subsidiaries	15	**3,366,850**	3,366,850
Investments in associates	16	**875**	875
		3,367,725	3,367,725
Current assets			
Inventories	17	**700**	700
Trade and other receivables	18	**282,681**	411,543
Financial assets at fair value through profit or loss	19	**7,886**	5,454
Cash at bank and in hand	20	**19,954**	68,521
		311,221	486,218
Total assets		**3,678,946**	3,853,943
EQUITY AND LIABILITIES			
Equity			
Share capital	21	**1,710**	1,710
Other reserves		**24**	24
Accumulated losses		**(279,167)**	(90,925)
Total equity		**(277,433)**	(89,191)
Non-current liabilities			
Borrowings	22	**1,434,009**	1,565,000
		1,434,009	1,565,000
Current liabilities			
Trade and other payables	23	**165,881**	188,598
Borrowings	22	**2,356,489**	2,189,536
		2,522,370	2,378,134
Total liabilities		**3,956,379**	3,943,134
Total equity and liabilities		**3,678,946**	3,853,943

On 12 October 2022 the Board of Directors of Civico Limited authorised these financial statements for issue.

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Christa Theodorou
Director

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2021

	Share capital €	Difference form conversion of share capital into euro reserve €	Accumulated losses €	Total €
Balance at 1 January 2020	**1,710**	**24**	**(104,354)**	**(102,620)**
Comprehensive income				
Net profit for the year	-	-	13,429	13,429
Total comprehensive income for the year	-	-	13,429	13,429
Balance at 31 December 2020/ 1 January 2021	**1,710**	**24**	**(90,925)**	**(89,191)**
Comprehensive income				
Net loss for the year	-	-	(188,242)	(188,242)
Total comprehensive income for the year	-	-	(188,242)	(188,242)
Balance at 31 December 2021	**1,710**	**24**	**(279,167)**	**(277,433)**

Companies, which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, within two years after the end of the relevant tax year, will be deemed to have distributed this amount as dividend on the 31 of December of the second year. The amount of the deemed dividend distribution is reduced by any actual dividend already distributed by 31 December of the second year for the year the profits relate. The Company pays special defence contribution on behalf of the shareholders over the amount of the deemed dividend distribution at a rate of 17% (applicable since 2014) when the entitled shareholders are natural persons tax residents of Cyprus and have their domicile in Cyprus. In addition, from 2019 (deemed dividend distribution of year 2017 profits), the Company pays on behalf of the shareholders General Healthcare System (GHS) contribution at a rate of 2,65% (2019: 1,70%), when the entitled shareholders are natural persons tax residents of Cyprus, regardless of their domicile.

CASH FLOW STATEMENT
Year ended 31 December 2021

	Note	**2021**	2020
		€	€
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit before tax		**(181,445)**	14,419
Adjustments for:			
Fair value (gains)/losses on financial assets at fair value through profit or loss		**(2,432)**	3,474
Dividend income	9	**(95,000)**	(370,000)
Interest expense	12	**176,651**	176,106
		(102,226)	(176,001)
Changes in working capital:			
Decrease/(increase) in trade and other receivables		**128,862**	(26,139)
Decrease in trade and other payables		**(22,717)**	(65,550)
Cash generated from/(used in) operations		**3,919**	(267,690)
Tax paid		**(6,797)**	(990)
Net cash used in operating activities		**(2,878)**	(268,680)
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends received		**95,000**	370,000
Net cash generated from investing activities		**95,000**	370,000
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		**35,962**	90,512
Interest paid		**(176,651)**	(176,106)
Net cash used in financing activities		**(140,689)**	(85,594)
Net (decrease)/increase in cash and cash equivalents		**(48,567)**	15,726
Cash and cash equivalents at beginning of the year		**68,521**	52,795
Cash and cash equivalents at end of the year	**20**	**19,954**	68,521

1. Incorporation and principal activities

Country of incorporation

The Company Civico Limited (the "Company") was incorporated in Cyprus on 31 January 2002 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at 58 Arch. Makarios III Avenue, Iris Tower, 8th Floor, 1075 Nicosia, Cyprus.

Principal activities

The principal activities of the Company, which are unchanged from last year, are the distribution and sub-licence of TV-channels and other meida and the provision of finance.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (EU), and the requirements of the Cyprus Companies Law, Cap. 113.

3. Adoption of new or revised standards and interpretations

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2021. This adoption did not have a material effect on the accounting policies of the Company.

4. Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

Going concern basis

The Company incurred a loss of €188,242 for the year ended 31 December 2021, and, as of that date the Company's current liabilities exceeded its current assets by €2,211,149. The Company is dependent upon the continuing financial support of its parent company without which there would be significant doubt about its ability to continue as a going concern as well as its ability to realise its assets and discharge its liabilities in the ordinary course of business. The parent company has indicated its intention to continue providing such financial assistance to the Company to enable it to continue as a going concern and to meet its obligations as they fall due.

Subsidiary companies

Subsidiaries are entities controlled by the Company. Control exists where the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Investments in subsidiary companies are stated at cost less provision for impairment in value, which is recognised as an expense in the period in which the impairment is identified.

Associates

Associates are all entities over which the Company has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associated undertakings are stated at cost less provision for impairment in value, which is recognised as an expense in the period in which the diminution is identified.

4. Significant accounting policies (continued)

Revenue

Recognition and measurement

Revenue represents the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised goods or services to the customer, excluding amounts collected on behalf of third parties (for example, value-added taxes); the transaction price. The Company includes in the transaction price an amount of variable consideration as a result of rebates/discounts only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Estimations for rebates and discounts are based on the Company's experience with similar contracts and forecasted sales to the customer.

The Company recognises revenue when the parties have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations, the Company can identify each party's rights and the payment terms for the goods or services to be transferred, the contract has commercial substance (i.e. the risk, timing or amount of the Company's future cash flows is expected to change as a result of the contract), it is probable that the Company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer and when specific criteria have been met for each of the Company's contracts with customers.

The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. In evaluating whether collectability of an amount of consideration is probable, the Company considers only the customer's ability and intention to pay that amount of consideration when it is due.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimates are reflected in the statement of profit or loss and other comprehensive income in the period in which the circumstances that give rise to the revision become known by Management.

Identification of performance obligations

The Company assesses whether contracts that involve the provision of a range of goods and/or services contain one or more performance obligations (that is, distinct promises to provide a service) and allocates the transaction price to each performance obligation identified on the basis of its stand-alone selling price. A good or service that is promised to a customer is distinct if the customer can benefit from the good or service, either on its own or together with other resources that are readily available to the customer (that is the good or service is capable of being distinct) and the Company's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (that is, the good or service is distinct within the context of the contract).

Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control of a product or service to a customer.

4. Significant accounting policies (continued)

Revenue recognition (continued)

- **Rendering of services**

  Rendering of services - over time:
  Revenue from rendering of services is recognised over time while the Company satisfies its performance obligation by transferring control over the promised service to the customer in the accounting period in which the services are rendered.

  For fixed price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

  The input method is used to measure progress toward completion of the performance obligation as it provides a faithful depiction of the transfer of the control of the services to the customer.

  Rendering of services - at a point in time:
  The Company concluded that it transfers control over its services at a point in time, upon receipt by the customer of the service, because this is when the customer benefits from the relevant service.

- **Income from investments in securities**

  Dividend from investments in securities is recognised when the right to receive payment is established. Withheld taxes are transferred to profit or loss. Interest from investments in securities is recognised on an accruals basis.

  Profits or losses from the sale of investments in securities represent the difference between the net proceeds and the carrying amount of the investments sold and is transferred to profit or loss.

  The difference between the fair value of investments at fair value through profit or loss as at 31 December 2021 and the mid cost price represents unrealised gains and losses and is included in profit or loss in the period in which it arises. Unrealised gains and losses arising from changes in the fair value of financial assets at fair value through other comprehensive income are recognised in other comprehensive income and then included in the fair value reserve in equity. When financial assets at fair value through other comprehensive income are sold or impaired, the accumulated fair value adjustments are transferred to retained earnings.

- **Commission income**

  Commission income is recognised when the right to receive payment is established.

- **Interest income**

  Interest income is recognised on a time-proportion basis using the effective interest method.

- **Dividend income**

  Dividends are received from financial assets measured at fair value through profit or loss (FVTPL) and at fair value through other comprehensive income (FVOCI). Dividends are recognised as other income in profit or loss when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of an investment. In this case, the dividend is recognised in OCI if it relates to an investment measured at FVOCI.

Finance costs

Interest expense and other borrowing costs are charged to profit or loss as incurred.

4. Significant accounting policies (continued)

Foreign currency translation

(1) Functional and presentation currency
Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Euro (€), which is the Company's functional and presentation currency.

(2) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Translation differences on non-monetary items such as equities held at fair value through profit or loss are reported as part of the fair value gain or loss.

Tax

Current tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date.

Patents and trademarks

Patents and trademarks are measured initially at purchase cost and are amortised on a straight-line basis over their estimated useful lives.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Financial assets

Financial assets - Classification

The Company classifies its financial assets in the following measurement categories:
- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification and subsequent measurement of debt financial assets depends on: (i) the Company's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset. On initial recognition, the Company may irrevocably designate a debt financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

For investments in equity instruments that are not held for trading, the classification will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

4. Significant accounting policies (continued)

Financial assets (continued)

Financial assets - Classification (continued)

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

Financial assets - Recognition and derecognition

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date when the Company commits to deliver a financial instrument. All other purchases and sales are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Financial assets - Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

<u>Debt instruments</u>

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in 'other income'. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss and other comprehensive income. Financial assets measured at amortised cost (AC) comprise: cash and cash equivalents, bank deposits with original maturity over 3 months, trade receivables and financial assets at amortised cost.

FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in "other income". Foreign exchange gains and losses are presented in "other gains/(losses)" and impairment expenses are presented as separate line item in the statement of profit or loss and other comprehensive income.

4. Significant accounting policies (continued)

Financial assets (continued)

Financial assets - Measurement (continued)

FVTPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within "other gains/(losses)" in the period in which it arises.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's Management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment, any related balance within the FVOCI reserve is reclassified to retained earnings. The Company's policy is to designate equity investments as FVOCI when those investments are held for strategic purposes other than solely to generate investment returns. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in "other gains/(losses)" in the statement of profit or loss and other comprehensive income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTPL are not reported separately from other changes in fair value.

Financial assets - impairment - credit loss allowance for ECL

The Company assesses on a forward-looking basis the ECL for debt instruments (including loans) measured at amortised cost and FVOCI and exposure arising from loan commitments and financial guarantee contracts. The Company measures ECL and recognises credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of profit or loss and other comprehensive income within "net impairment losses on financial and contract assets. Subsequent recoveries of amounts for which loss allowance was previously recognised are credited against the same line item.

Debt instruments carried at amortised cost are presented in the statement of financial position net of the allowance for ECL. For loan commitments and financial guarantee contracts, a separate provision for ECL is recognised as a liability in the statement of financial position.

For debt instruments at FVOCI, an allowance for ECL is recognised in profit or loss and it affects fair value gains or losses recognised in OCI rather than the carrying amount of those instruments.

The impairment methodology applied by the Company for calculating expected credit losses depends on the type of financial asset assessed for impairment. Specifically:

For trade receivables and contract assets, including trade receivables and contract assets with a significant financing component, and lease receivables the Company applies the simplified approach permitted by IFRS 9, which requires lifetime expected credit losses to be recognised from initial recognition of the financial assets.

For all other financial instruments that are subject to impairment under IFRS 9, the Company applies general approach - three stage model for impairment. The Company applies a three stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1.

4. Significant accounting policies (continued)

Financial assets (continued)

Financial assets - impairment - credit loss allowance for ECL (continued)

Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Company identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). Refer to note 6, Credit risk section, for a description of how the Company determines when a SICR has occurred. If the Company determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL. The Company's definition of credit impaired assets and definition of default is explained in note 6, Credit risk section.

Additionally the Company has decided to use the low credit risk assessment exemption for investment grade financial assets. Refer to note 6, Credit risk section for a description of how the Company determines low credit risk financial assets.

Financial assets -Reclassification

Financial instruments are reclassified only when the business model for managing those assets changes. The reclassification has a prospective effect and takes place from the start of the first reporting period following the change.

Financial assets - write-off

Financial assets are written-off, in whole or in part, when the Company exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Company may write-off financial assets that are still subject to enforcement activity when the Company seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

Financial assets - modification

The Company sometimes renegotiates or otherwise modifies the contractual terms of the financial assets. The Company assesses whether the modification of contractual cash flows is substantial considering, among other, the following factors: any new contractual terms that substantially affect the risk profile of the asset (e.g. profit share or equity-based return), significant change in interest rate, change in the currency denomination, new collateral or credit enhancement that significantly affects the credit risk associated with the asset or a significant extension of a loan when the borrower is not in financial difficulties.

If the modified terms are substantially different, the rights to cash flows from the original asset expire and the Company derecognises the original financial asset and recognises a new asset at its fair value. The date of renegotiation is considered to be the date of initial recognition for subsequent impairment calculation purposes, including determining whether a SICR has occurred. The Company also assesses whether the new loan or debt instrument meets the SPPI criterion. Any difference between the carrying amount of the original asset derecognised and fair value of the new substantially modified asset is recognised in profit or loss, unless the substance of the difference is attributed to a capital transaction with owners.

In a situation where the renegotiation was driven by financial difficulties of the counterparty and inability to make the originally agreed payments, the Company compares the original and revised expected cash flows to assets whether the risks and rewards of the asset are substantially different as a result of the contractual modification. If the risks and rewards do not change, the modified asset is not substantially different from the original asset and the modification does not result in derecognition. The Company recalculates the gross carrying amount by discounting the modified contractual cash flows by the original effective interest rate, and recognises a modification gain or loss in profit or loss.

4. Significant accounting policies (continued)

Financial assets (continued)

Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand. Cash and cash equivalents are carried at amortised cost because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

Classification as financial assets at amortised cost

These amounts generally arise from transactions outside the usual operating activities of the Company. They are held with the objective to collect their contractual cash flows and their cash flows represent solely payments of principal and interest. Accordingly, these are measured at amortised cost using the effective interest method, less provision for impairment. Financial assets at amortised cost are classified as current assets if they are due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current assets.

Classification as trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Trade receivables are also subject to the impairment requirements of IFRS 9. The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. See note 6, Credit risk section.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than 180 days past due.

Financial liabilities - measurement categories

Financial liabilities are initially recognised at fair value and classified as subsequently measured at amortised cost, except for (i) financial liabilities at FVTPL: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in securities), contingent consideration recognised by an acquirer in a business combination and other financial liabilities designated as such at initial recognition and (ii) financial guarantee contracts and loan commitments.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Borrowings

Borrowings are recorded initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

4. Significant accounting policies (continued)

Financial assets (continued)

Trade payables

Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

Financial liabilities - Modifications

An exchange between the Company and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms and conditions of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. (In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in loan covenants are also considered.)

If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

Modifications of liabilities that do not result in extinguishment are accounted for as a change in estimate using a cumulative catch up method, with any gain or loss recognised in profit or loss, unless the economic substance of the difference in carrying values is attributed to a capital transaction with owners and is recognised directly to equity.

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds, including interest on borrowings, amortisation of discounts or premium relating to borrowings, amortisation of ancillary costs incurred in connection with the arrangement of borrowings, finance lease charges and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, being an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of that asset, when it is probable that they will result in future economic benefits to the Company and the costs can be measured reliably.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

Inventories

Inventories are stated at the lower of cost and net realisable value. The cost is determined using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less the costs to completion and selling expenses.

4. Significant accounting policies (continued)

Share capital

Ordinary shares are classified as equity.

Non-current liabilities

Non-current liabilities represent amounts that are due more than twelve months from the reporting date.

5. New accounting pronouncements

At the date of approval of these financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the financial statements of the Company.

6. Financial risk management

Financial risk factors
The Company is exposed to market price risk, interest rate risk, credit risk, liquidity risk and currency risk arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

6.1 Market price risk
Market price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices. The Company's financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss are susceptible to market price risk arising from uncertainties about future prices of the investments. The Company's market price risk is managed through diversification of the investment portfolio.

Sensitivity analysis
An increase in equity prices by 5% at 31 December 2020 would have increased equity by €394 thousand and profit or loss by €394 thousand. For a decrease of 5% there would be an equal and opposite impact on the profit and other equity.

6.2 Interest rate risk
Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Company's income and operating cash flows are substantially independent of changes in market interest rates as the Company has no significant interest-bearing assets. The Company is exposed to interest rate risk in relation to its non-current borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. The Company's Management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

At the reporting date the interest rate profile of interest- bearing financial instruments was:

	2021	2020
	€	€
Variable rate instruments		
Financial liabilities	**3,790,498**	3,754,536
	3,790,498	3,754,536

6. Financial risk management (continued)

6.2 Interest rate risk (continued)

Sensitivity analysis

An increase of 100 basis points in interest rates at 31 December 2021 would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. For a decrease of 100 basis points there would be an equal and opposite impact on the profit and other equity.

	Equity		Profit or loss	
	2021	2020	**2021**	2020
	€	€	**€**	€
Variable rate instruments	**37,905**	37,545	**37,905**	37,545
	37,905	37,545	**37,905**	37,545

6.3 Credit risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation. Credit risk arises from [cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVTPL), favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and contract assets as well as lease receivables. Further, credit risk arises from financial guarantees and credit related commitments.]

(i) Risk management

Credit risk is managed on a group basis. For banks and financial institutions, the Company has established policies whereby the majority of bank balances are held with independently rated parties with a minimum rating of ['C'].

If wholesale customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, Management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. [Individual credit limits and credit terms are set based on the credit quality of the customer in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards.]

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

The Company's investments in debt instruments are considered to be low risk investments. The credit ratings of the investments are monitored for credit deterioration.

These policies enable the Company to reduce its credit risk significantly.

(ii) Impairment of financial assets

The Company has the following types of financial assets that are subject to the expected credit loss model:
- cash and cash equivalents
- credit commitments

The impairment methodology applied by the Company for calculating expected credit losses depends on the type of financial asset assessed for impairment. Specifically:
- For trade receivables the Company applies the simplified approach permitted by IFRS 9, which requires lifetime expected losses to be recognised from initial recognition of the financial assets.

6. Financial risk management (continued)

6.3 Credit risk (continued)

(ii) Impairment of financial assets (continued)

- For all other financial assets that are subject to impairment under IFRS 9, the Company applies general approach - three stage model for impairment. The Company applies a three-stage model for impairment, based on changes in credit quality since initial recognition. A financial asset that is not credit-impaired on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Company identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). If the Company determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL.

Impairment losses are presented as net impairment losses on financial and contract assets within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Significant increase in credit risk

The Company considers the probability of default upon initial recognition of the asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the financial asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's/counterparty's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower/counterparty
- significant increases in credit risk on other financial instruments of the same borrower/counterparty
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- significant changes in the expected performance and behaviour of the borrower/counterparty, including changes in the payment status of counterparty in the Company and changes in the operating results of the borrower/counterparty.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. No significant changes to estimation techniques or assumptions were made during the reporting period.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

Low credit risk

The Company has decided to use the low credit risk assessment exemption for investment grade financial assets. Management consider 'low credit risk' for listed bonds to be an investment grade credit rating with at least one major rating agency. Other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

6. Financial risk management (continued)

6.3 Credit risk (continued)

(ii) Impairment of financial assets (continued)

Default

A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due.

Write-off

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company categorises a debt financial asset for write off when a debtor fails to make contractual payments greater than 180 days past due. Where debt financial assets have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The Company's exposure to credit risk for each class of (asset/instrument) subject to the expected credit loss model is set out below:

Receivables from related parties

For receivables from related parties lifetime ECL was provided for them upon initial application of IFRS 9 until these financial assets are derecognised as it was determined on initial application of IFRS 9 that it would require undue cost and effort to determine whether their credit risk has increased significantly since initial recognition to the date of initial application of IFRS 9.

For any new loans to related parties, which are not purchased or originated credit-impaired financial assets, the impairment loss is recognised as 12-month ECL on initial recognition of such instruments and subsequently the Company assesses whether there was a significant increase in credit risk.

The Company does not hold any collateral as security for any receivables from related parties.

There were no significant receivables from related parties written off during the year that are subject to enforcement activity.

Cash and cash equivalents

The Company assesses, on a group basis, its exposure to credit risk arising from cash at bank. This assessment takes into account, ratings from external credit rating institutions and internal ratings, if external are not available.

Bank deposits held with banks with investment grade rating are considered as low credit risk.

The ECL on current accounts is considered to be approximate to 0, unless the bank is subject to capital controls. The ECL on deposits accounts is calculated by considering published PDs for the rating as per Moody's and an LGD of 40-60% as published by ECB.

The Company does not hold any collateral as security for any cash at bank balances.

There were no significant cash at bank balances written off during the year that are subject to enforcement activity.

6. Financial risk management (continued)

6.3 Credit risk (continued)

(iii) Financial assets at fair value through profit or loss

6.4 Liquidity risk
Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

The following tables detail the Company's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

31 December 2021	Carrying amounts	Contractual cash flows	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years
	€	€	€	€	€	€	€
Bank loans	1,504,009	1,504,009	70,000	230,000	1,204,009	-	-
Trade and other payables	104,366	104,366	104,366	-	-	-	-
Payables to related parties	47,745	47,745	47,745	-	-	-	-
Loan from parent company	2,286,489	2,286,489	2,286,489	-	-	-	-
	3,942,609	**3,942,609**	**2,508,600**	**230,000**	**1,204,009**	**-**	**-**

31 December 2020	Carrying amounts	Contractual cash flows	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years
	€	€	€	€	€	€	€
Bank loans	1,565,000	1,565,000	-	-	-	1,565,000	-
Trade and other payables	120,316	120,316	120,316	-	-	-	-
Payables to related parties	47,745	47,745	47,745	-	-	-	-
Loan from parent company	2,189,536	2,189,536	2,189,536	-	-	-	-
	3,922,597	3,922,597	2,357,597	-	-	1,565,000	-

6.5 Currency risk
Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's measurement currency. The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US Dollar. The Company's Management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

6. Financial risk management (continued)

6.5 Currency risk (continued)

	Liabilities		Assets	
	2021	2020	**2021**	2020
	€	€	**€**	€
United States Dollars	**(2,399)**	(10,831)	**14,487**	90,969
	(2,399)	(10,831)	**14,487**	90,969

Sensitivity analysis
A 10% strengthening of the Euro against the following currencies at 31 December 2021 would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. For a 10% weakening of the Euro against the relevant currency, there would be an equal and opposite impact on the profit and other equity.

	Equity		Profit or loss	
	2021	2020	**2021**	2020
	€	€	**€**	€
United States Dollars	**1,209**	8,014	**1,209**	8,014
	1,209	8,014	**1,209**	8,014

7. Critical accounting estimates, judgments and assumptions

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- **Going concern basis**

  Management has made an assessment of the Company's ability to continue as a going concern.note 4.

- **Calculation of loss allowance**

  When measuring expected credit losses the Company uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

  Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

  Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

7. Critical accounting estimates, judgments and assumptions (continued)

- **Provision for obsolete and slow-moving inventory**

  The Company reviews its inventory records for evidence regarding the saleability of inventory and its net realizable value on disposal. The provision for obsolete and slow-moving inventory is based on Management's past experience, taking into consideration the value of inventory as well as the movement and the level of stock of each category of inventory.

  The amount of provision is recognised in profit or loss. The review of the net realisable value of the inventory is continuous and the methodology and assumptions used for estimating the provision for obsolete and slow-moving inventory are reviewed regularly and adjusted accordingly.

- **Income taxes**

  Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Critical judgements in applying the Company's accounting policies

- **Fair value of financial assets**

- **Impairment of investments in subsidiaries/associates**

  The Company periodically evaluates the recoverability of investments in subsidiaries/associates whenever indicators of impairment are present. Indicators of impairment include such items as declines in revenues, earnings or cash flows or material adverse changes in the economic or political stability of a particular country, which may indicate that the carrying amount of an asset is not recoverable. If facts and circumstances indicate that investment in subsidiaries/associates may be impaired, the estimated future discounted cash flows associated with these subsidiaries/associates would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

- **Impairment of financial assets**

  The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in note 6, Credit risk section.

- **Impairment of intangible assets**

  Intangible assets are initially recorded at acquisition cost and are amortized on a straight line basis over their useful economic life. Intangible assets that are acquired through a business combination are initially recorded at fair value at the date of acquisition. Intangible assets with indefinite useful life are reviewed for impairment at least once per year. The impairment test is performed using the discounted cash flows expected to be generated through the use of the intangible assets, using a discount rate that reflects the current market estimations and the risks associated with the asset. When it is impractical to estimate the recoverable amount of an asset, the Company estimates the recoverable amount of the cash generating unit in which the asset belongs to.

8. Revenue

(a) Disaggregation of revenue from contracts with customers

Disaggregation of revenue	**2021**	2020
	€	€
Rendering of services	**39,085**	178,401
	39,085	178,401

Analysis of revenue by category under revenue recognition guidance effective prior to 1 January 2018:

	2020
	€
Rendering of servises	178,401
	178,401

9. Other operating income

	2021	2020
	€	€
Exchange profit	**4,453**	3,635
Dividend income	**95,000**	370,000
Fair value gains on financial assets at fair value through profit or loss	**2,433**	-
Sundry operating income	**62,025**	3,000
	163,911	376,635

10. Other expenses

	2021	2020
	€	€
Fair value losses on financial assets at fair value through profit or loss	**-**	3,474
	-	3,474

11. Operating profit

	2021	2020
	€	€
Operating profit is stated after charging the following items:		
Auditors' remuneration	**3,150**	5,000
Trade receivables - impairment charge for bad and doubtful debts	**43,685**	-

12. Finance costs

	2021	2020
	€	€
Net foreign exchange losses	**1,561**	8,947
Interest expense	**176,651**	176,106
Sundry finance expenses	**7,965**	2,808
Finance costs	**186,177**	187,861

13. Tax

	2021	2020
	€	€
Corporation tax - prior years	**6,797**	-
Overseas tax	**-**	990
Charge for the year	**6,797**	990

The tax on the Company's results before tax differs from theoretical amount that would arise using the applicable tax rates as follows:

	2021	2020
	€	€
(Loss)/profit before tax	**(181,445)**	14,419
Tax calculated at the applicable tax rates	**(22,681)**	1,802
Tax effect of expenses not deductible for tax purposes	**239**	7,272
Tax effect of allowances and income not subject to tax	**(18,196)**	(46,704)
Tax effect of tax loss for the year	**40,638**	37,630
Prior year tax	**6,797**	-
Overseas tax in excess of credit claim used during the year	**-**	990
Tax charge	**6,797**	990

The corporation tax rate is 12,5%.

Under certain conditions interest income may be subject to defence contribution at the rate of 30%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17%.

Due to tax losses sustained in the year, no tax liability arises on the Company. Under current legislation, tax losses may be carried forward and be set off against taxable income of the five succeeding years.

14. Intangible assets

	Patents and trademarks
	€
Cost	
Balance at 1 January 2020	5,000
Balance at 31 December 2020/ 1 January 2021	**5,000**
Balance at 31 December 2021	**5,000**
Amortisation	
Balance at 1 January 2020	5,000
Balance at 31 December 2020/ 1 January 2021	**5,000**
Balance at 31 December 2021	**5,000**
Net book amount	
Balance at 31 December 2021	**-**

15. Investments in subsidiaries

	2021	2020
	€	€
Balance at 1 January	**3,366,850**	3,366,850
Balance at 31 December	**3,366,850**	3,366,850

The details of the subsidiaries are as follows:

Name	Country of incorporation	Principal activities	2021 Holding %	2020 Holding %	**2021** **€**	2020 €
Attica Media RMN Srl	Romania	Magazine Publications	100	100	**1**	1
Airlink S.A	Greece	Magazine Publications	100	100	**3,366,849**	3,366,849
					3,366,850	3,366,850

16. Investments in associates

	2021	2020
	€	€
Balance at 1 January	**875**	875
Balance at 31 December	**875**	875

The details of the investments are as follows:

Name	Country of incorporation	Principal activities	**2021 Holding %**	2020 Holding %	**2021** **€**	2020 €
Attica Imako - Media Srl	Romania	Publishing and related activities	50	50	**1**	1
Delapi Ltd	Cyprus	Sale of magazines	50	50	**874**	874
					875	875

17. Inventories

	2021	2020
	€	€
Finished products	**700**	700
	700	700

Inventories are stated at cost.

18. Trade and other receivables

	2021	2020
	€	€
Trade receivables	**104,639**	147,634
Less: credit loss on trade receivables	**(104,639)**	(60,954)
Trade receivables - net	**-**	86,680
Receivables from own subsidiaries (Note 25.3)	**235,000**	290,000
Other receivables	**20,000**	-
Refundable VAT	**27,681**	34,863
	282,681	411,543

The Company has recognised a loss of €43,685 (2020: € -) for the impairment of its trade receivables during the year ended 31 December 2021. The loss has been included in selling and distribution costs in profit or loss.

Movement in provision for impairment of receivables:

	2021	2020
	€	€
Balance at 1 January	**60,954**	60,954
Impairment losses recognised on receivables	**43,685**	-
Balance at 31 December	**104,639**	60,954

The fair values of trade and other receivables due within one year approximate to their carrying amounts as presented above.

The exposure of the Company to credit risk and impairment losses in relation to trade and other receivables is reported in note 6 of the financial statements.

19. Financial assets at fair value through profit or loss

	2021	2020
	€	€
	2021	2020
	€	€
Balance at 1 January	**5,454**	8,928
Change in fair value	**2,432**	(3,474)
Balance at 31 December	**7,886**	5,454

The financial assets at fair value through profit or loss are marketable securities and are valued at market value at the close of business on 31 December by reference to Stock Exchange quoted bid prices. Financial assets at fair value through profit or loss are classified as current assets because they are expected to be realised within twelve months from the reporting date.

In the cash flow statement, financial assets at fair value through profit or loss are presented within the section on operating activities as part of changes in working capital. In the statement of profit or loss and other comprehensive income, changes in fair values of financial assets at fair value through profit or loss are recorded in operating income.

20. Cash at bank and in hand

Cash balances are analysed as follows:

	2021	2020
	€	€
Cash at bank and in hand	**19,954**	68,521
	19,954	68,521

The exposure of the Company to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 6 of the financial statements.

21. Share capital

	2021 Number of shares	**2021 €**	2020 Number of shares	2020 €
Authorised				
Ordinary shares of €1 each	**1,710**	**1,710**	1,710	1,710
Issued and fully paid				
Balance at 1 January	**1,710**	**1,710**	1,710	1,710
Balance at 31 December	**1,710**	**1,710**	1,710	1,710

22. Borrowings

	2021	2020
	€	€
Current borrowings		
Bank loans	**70,000**	-
Loan from parent company (Note 25.5)	**2,286,489**	2,189,536
	2,356,489	2,189,536
Non-current borrowings		
Bank loans	**1,434,009**	1,565,000
Total	**3,790,498**	3,754,536

Maturity of non-current borrowings:

	2021	2020
	€	€
Between one to two years	**230,000**	-
Between two and five years	**1,204,009**	1,565,000
	1,434,009	1,565,000

The bank loans are secured as follows:

- Guarantees from the parent company.

22. Borrowings (continued)

The weighted average effective interest rates at the reporting date were as follows:

	2021	2020
	%	%
Bank loans	**Euribor (360 days) + 5%**	Euribor (360 days) + 5%
Loan from parent company	**Euribor (3 months) + 5%**	Euribor (3 months) + 5%

23. Trade and other payables

	2021	2020
	€	€
Trade payables	**2,399**	10,831
Prepayments from clients	**-**	570
Accruals	**13,770**	20,537
Other creditors	**101,967**	108,915
Payables to own subsidiaries (Note 25.4)	**47,745**	47,745
	165,881	188,598

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

24. Operating Environment of the Company

With the recent and rapid development of the Coronavirus disease (COVID-19) pandemic the world economy entered a period of unprecedented health care crisis that has caused considerable global disruption in business activities and everyday life.

Many countries have adopted extraordinary and economically costly containment measures. Certain countries have required companies to limit or even suspend normal business operations. Governments have implemented restrictions on travelling as well as strict quarantine measures throughout the year.

Industries such as tourism, hospitality and entertainment have been directly disrupted significantly by these measures. Other industries such as manufacturing and financial services have also been indirectly affected.

In Cyprus, on 15 March 2020, the Council of Ministers in an extraordinary meeting, announced that it considers that Cyprus is entering a state of emergency considering the uncertain situation as it unfolds daily, the growing spread of COVID-19 outbreak and the World Health Organization's data on the situation.

To this end, certain measures have been taken by the Republic of Cyprus since then with a view to safeguarding public health and ensuring the economic survival of working people, businesses, vulnerable groups and the economy at large.

New entry regulations have been applied with regards to protecting the population from a further spread of the disease which tightened the entry of individuals to the Republic of Cyprus within the year. Additionally, a considerable number of private businesses operating in various sectors of the economy had closed for a period of time while a number of lockdown measures, such as the prohibition of unnecessary movements and the suspension of operations of retail companies (subject to certain exemptions), were applied throughout the year. The measures had been continuously revised (lifted or tightened) by the Republic of Cyprus during the year taking into consideration the epidemic status in the country.

The objective of these public policy measures was to contain the spread of COVID-19 outbreak and have resulted in significant operational disruption for the Company.

24. Operating Environment of the Company (continued)

In parallel, governments, including the Republic of Cyprus, introduced various financial support schemes in response to the economic impacts of the COVID-19 coronavirus pandemic. The Company has not applied for such government assistance. The details of all the arrangements that might be available to the Company and the period throughout which they will remain available are continuing to evolve and remain subject to uncertainty. The Company is continuing to assess the implications for its business when these arrangements are no longer available and has reflected their impact in its stress-scenarios for going concern purposes.

The event is reflected in the recognition and measurement of the assets and liabilities in the financial statements as at 31 December 2021. The Company's management has assessed:
(1) whether any impairment allowances are deemed necessary for the Company's financial assets, non-financial assets (e.g., property, plant & equipment, goodwill, intangible assets), lease receivables, contract assets, loan commitments or financial guarantee contracts, investments in subsidiaries, associates and joint ventures by considering the economic situation and outlook at the end of the reporting period.
(2) whether the net realisable value for the Company's inventory exceeds cost.
(3) the ability of the Company to continue as a going concern (Note 4).

The financial effect of the current crisis on the global economy and overall business activities cannot be estimated with reasonable certainty though, due to the pace at which the outbreak expands and the high level of uncertainties arising from the inability to reliably predict the outcome. Management's current expectations and estimates could differ from actual results.

Management has considered the unique circumstances and the risk exposures of the Company and has concluded that there is no significant impact in the Company's profitability position. The event did not have an immediate material impact on the business operations.

The Company's management believes that it is taking all the necessary measures to maintain the viability of the Company and the development of its business in the current business and economic environment.

Management will continue to monitor the situation closely and assess/seek additional measures/committed facilities as a fall-back plan in case the period of disruption becomes prolonged.

25. Related party transactions

The Company is controlled by Attica Publications S.A., incorporated in Greece, which owns 99.94% of the Company's shares.

The company does not have an ultimate controlling party.

The following transactions were carried out with related parties:

25.1 Sales of goods and services

	2021	2020
	€	€
Attica Publications S.A.	**-**	3,000
	-	3,000

Sales to Attica Publications S.A. were made at commercial terms and conditions.

25.2 Interest expense

		2021	2020
	Nature of transactions	**€**	€
Attica Publications S.A.	Interest	**96,953**	93,512
		96,953	93,512

25. Related party transactions (continued)

25.3 Receivables from related parties (Note 18)

Name	Nature of transactions	2021 €	2020 €
Attica Publications S.A.	Trade	**235,000**	290,000
		235,000	290,000

25.4 Payables to related parties (Note 23)

Name	Nature of transactions	2021 €	2020 €
Airlink S.A.	Financial support	**47,745**	47,745
		47,745	47,745

The payables to related parties were provided interest free, and there was no specified repayment date.

25.5 Loans from related parties (Note 22)

	2021 €	2020 €
Attica Publications S.A.	**2,286,489**	2,189,536
	2,286,489	2,189,536

The loan from the parent company bears interest at Euribor 3 months plus 5% margin and is repayable by 31 December 2022.

26. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2021.

27. Commitments

The Company had no capital or other commitments as at 31 December 2021.

28. Events after the reporting period

Depending on the duration of the Coronavirus desease (COVID-19) pandemic, and continued negative impact on economic activity, the Company might experience negative results, and liquidity restraints and incur impairments on its assets in 2021.

The impact of events after the reporting date on the going concern is described in note 4.

The geopolitical situation in Eastern Europe intensified on 24 February 2022 with the commencement of the conflict between Russia and Ukraine. As at the date of authorising these financial statements for issue, the conflict continues to evolve as military activity proceeds. In addition to the impact of the events on entities that have operations in Russia, Ukraine, or Belarus or that conduct business with their counterparties, the conflict is increasingly affecting economies and financial markets globally and exacerbating ongoing economic challenges.

28. Events after the reporting period (continued)

The European Union as well as United States of America, Switzerland, United Kingdom and other countries imposed a series of restrictive measures (sanctions) against the Russian and Belarussian government, various companies, and certain individuals. The sanctions imposed include an asset freeze and a prohibition from making funds available to the sanctioned individuals and entities. In addition, travel bans applicable to the sanctioned individuals prevents them from entering or transiting through the relevant territories. The Republic of Cyprus has adopted the United Nations and European Union measures. The rapid deterioration of the conflict in Ukraine may as well lead to the possibility of further sanctions in the future.

Emerging uncertainty regarding global supply of commodities due to the conflict between Russia and Ukraine conflict may also disrupt certain global trade flows and place significant upwards pressure on commodity prices and input costs as seen through early March 2022. Challenges for companies may include availability of funding to ensure access to raw materials, ability to finance margin payments and heightened risk of contractual non-performance.

The impact on the Company largely depends on the nature and duration of uncertain and unpredictable events, such as further military action, additional sanctions, and reactions to ongoing developments by global financial markets.

The financial effect of the current crisis on the global economy and overall business activities cannot be estimated with reasonable certainty at this stage, due to the pace at which the conflict prevails and the high level of uncertainties arising from the inability to reliably predict the outcome.

The event did not exist in the reporting period and is therefore not reflected in the recognition and measurement of the assets and liabilities in the financial statements as at 31 December 2021 as it is considered as a non-adjusting event.

The Company has limited direct exposure to Russia, Ukraine, and Belarus and as such does not expect significant impact from direct exposures to these countries.

Despite the limited direct exposure, the conflict is expected to negatively impact the tourism and services industries in Cyprus. Furthermore, the increasing energy prices, fluctuations in foreign exchange rates, unease in stock market trading, rises in interest rates, supply chain disruptions and intensified inflationary pressures may indirectly impact the operations of the Company. The indirect implications will depend on the extent and duration of the crisis and remain uncertain.

Management has considered the unique circumstances and the risk exposures of the Company and has concluded that there is no significant impact in the Company's profitability position. The event is not expected to have an immediate material impact on the business operations. Management will continue to monitor the situation closely and will assess the need for any action in case the crisis becomes prolonged.

Independent auditor's report on pages 2 to 4

DETAILED INCOME STATEMENT
Year ended 31 December 2021

	Page	2021 €	2020 €
Revenue			
Sales of products		**39,085**	178,401
Cost of sales	35	**(22,411)**	(110,250)
Gross profit		**16,674**	68,151
Other operating income			
Realised foreign exchange profit		**4,453**	3,635
Dividend income		**95,000**	370,000
Sundry operating income		**62,025**	3,000
Fair value gains on financial assets at fair value through profit or loss		**2,433**	-
		180,585	444,786
Operating expenses			
Administration expenses	36	**(132,168)**	(235,060)
Selling and distribution expenses	36	**(43,685)**	(3,972)
		4,732	205,754
Other operating expenses			
Fair value losses on financial assets at fair value through profit or loss		**-**	(3,474)
Operating profit		**4,732**	202,280
Finance costs	37	**(186,177)**	(187,861)
Net (loss)/profit for the year before tax		**(181,445)**	14,419

COST OF SALES
Year ended 31 December 2021

	2021	2020
	€	€
Cost of sales		
Direct costs		
Use of rights	**22,411**	110,250
	22,411	110,250

ADMINISTRATION EXPENSES
Year ended 31 December 2021

	2021	2020
	€	€
Administration expenses		
Annual levy	**350**	-
Sundry expenses	**47**	39
Auditors' remuneration	**3,150**	5,000
Other professional fees	**7,478**	8,580
Legal and professional	**468**	-
Fines	**-**	45,404
Carriage and clearing	**175**	277
Consultancy fees	**120,500**	175,760
	132,168	235,060

	2021	2020
	€	€
Selling and distribution expenses		
Specific provision for bad debts	**43,685**	-
Marketing and distribution agency services	**-**	3,972
	43,685	3,972

FINANCE COSTS
Year ended 31 December 2021

	2021	2020
	€	€
Finance costs		
Interest expense		
Loan interest	**176,651**	176,106
Sundry finance expenses		
Bank charges	**7,965**	2,808
Net foreign exchange losses		
Realised foreign exchange loss	**1,561**	8,947
	186,177	187,861

CIVICO LIMITED

COMPUTATION OF CORPORATION TAX
Year ended 31 December 2021

	Page	€	€
Net loss per income statement	34		(181,445)
Add:			
Realised foreign exchange loss		1,561	
Annual levy		350	
			1,911
			(179,534)
Less:			
Fair value gains on financial assets at fair value through profit or loss		2,433	
Dividends received		95,000	
Realised foreign exchange profit		4,453	
Bad debts write off		43,685	
			(145,571)
Net loss for the year			(325,105)
Loss brought forward			(1,493,260)
Loss			(1,818,365)
Unutilised loss of the year 2016 not carried forward			218,288
Net loss carried forward			(1,600,077)

CALCULATION OF TAX LOSSES FOR THE FIVE-YEAR PERIOD

Tax year	2016	2017	2018	2019	2020	2021
	€	€	€	€	€	€
Profits/(losses) for the tax year	(218,288)	(296,027)	(334,459)	(343,445)	(301,041)	(325,105)
Gains Offset (€)	-	-	-	-	-	-
- Year						
Gains Offset (€)	-	-	-	-	-	-
- Year						
Gains Offset (€)	-	-	-	-	-	-
- Year						
Gains Offset (€)	-	-	-	-	-	-
- Year						
Gains Offset (€)	-	-	-	-	-	-
- Year						

Net loss carried forward (1,600,077)

CIVICO LIMITED
58 Arch. Makarios III Avenue
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1075 Nicosia
Cyprus

MOORE STYLIANOU & CO
CERTIFIED PUBLIC ACCOUNTANTS AND REGISTERED AUDITORS
58 Arch. Makarios III Avenue
Iris Tower, 6th Floor
1075 Nicosia
Cyprus

12 October 2022

Management representation letter for the audit of the year ended 31 December 2021

Dear Sirs

This representation letter is provided in connection with your audit of the financial statements of Civico Limited (the "Company") for the year ended 31 December 2021 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

By a resolution of the Board of Directors, passed today, we are directed to confirm to you, in respect of the financial statements of the Company for the year ended 31 December 2021, the following:

We confirm that, to the best of our knowledge and belief and having made appropriate inquiries of other Directors and officials and staff of the Company as we considered necessary for the purpose of appropriately informing ourselves, that we can make the following representations to you.

We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware. Each Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that you are aware of that information.

I. Financial statements

1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated 11 April 2022, for the preparation of the financial statements in accordance with IFRSs as adopted by the EU and the requirements of the Cyprus Companies Law, Cap. 113, which give a true and fair view in accordance therewith, and for making accurate representations to you. We further confirm that we have reviewed and approved the financial statements.

2) All transactions undertaken by the Company have been properly reflected in the accounting records and the financial statements.

3) We confirm that we have reviewed the Company's accounting policies and estimation techniques and, having regard to the possible alternative policies and techniques, the accounting policies and estimation techniques selected for use in the preparation of the financial statements are the most appropriate to give a true and fair view for the Company's particular circumstances, as required by International Accounting Standard IAS1: Presentation of financial statements.

4) Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

5) Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of IFRSs as adopted by the EU.

6) Litigation and claims

i) We confirm that all known, actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to you and have been appropriately accounted for and disclosed in the financial statements in accordance with IFRSs as adopted by the EU.

ii) We are not aware of any pending or threatened litigation, proceedings, hearing or claims negotiations, which may result in significant loss to the Company.

7) Events after the reporting period

All events subsequent to the date of the financial statements and for which IFRSs as adopted by the EU require adjustment or disclosure have been adjusted or disclosed in the financial statements. Other than as described in the financial statements, there have been no circumstances or events subsequent to the period end, which require adjustment of or disclosure in the financial statements or in the notes thereto.

8) Uncorrected misstatements

We confirm that the financial statements are free of material misstatements, including omissions. We believe that the effects of uncorrected misstatements identified during the audit are immaterial, both individually and in the aggregate, to the financial statements as a whole.

9) Going concern

We confirm that, having considered our future expectations and intentions for the next twelve months, and the availability of working capital, the Company is a going concern. We further confirm that the disclosures in the accounting policies are an accurate reflection of the reasons for our consideration that the financial statements should be drawn up on a going concern basis.

II. Information provided

10) Accounting records

i) All the accounting records have been made available to you for the purpose of your audit and all the transactions undertaken have been properly reflected and recorded in the accounting records. All other records and related information which have requested by you for the purpose of the audit, including minutes of Directors, shareholders and relevant management meetings, have been made available to you and no such information has been withheld. We have also provided unrestricted access to persons within the Company from whom you determined it necessary to obtain audit evidence.

11) Related parties

We confirm, that we have disclosed to you the identity of the Company's related parties and all the related party relationships and transactions of which we are aware. We also confirm that we have appropriately accounted for and disclosed in the financial statements all related party transactions relevant to the Company and that we are not aware of any other such matters required to be disclosed in the financial statements under International Accounting Standard 24 'Related Party Disclosures'.

12) Fraud

i) We acknowledge as Directors that we are responsible for the design, implementation and maintenance of internal controls to prevent and detect fraud and error.

ii) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

iii) We have disclosed to you all information relating to any fraud or suspected fraud known to us that may have affected the Company (regardless of the source or form and including, without limitation, allegations by "whistle-blowers"), and involves Management, employees who have significant roles in internal control or others where fraud could have a material effect on the financial statements. We have also disclosed any allegations of fraud or suspected fraud communicated by employees, former employees, analysts, regulators or others, that could affect the Company's financial statements.

13) Laws and regulations

i) We confirm that we are not aware of any instances of actual or potential breaches of or non-compliance with laws and regulations that are central to the Company's ability to conduct its business or that could have a material effect on the financial statements.

ii) We confirm that we are not aware of any irregularities, or allegations of irregularities including fraud, involving management or employees who have a significant role in the accounting and internal control systems, or that could have a material effect on the financial statements.

14) Contractual arrangements/agreements

i) All contractual arrangements entered into by the Company with third parties have been properly reflected in the accounting records or, where material (or potentially material) to the financial statements, have been disclosed to you.

ii) The Company has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance.

iii) There are no other agreements not in the ordinary course of business.

15) The Company has satisfactory title to all assets and there are no liens or encumbrances on the Company's assets, except for those disclosed in the financial statements.

16) Investments

We have disclosed to you our plans regarding long term investments (investments in subsidiary undertakings, associate undertaking and investments at fair value through other comprehensive income) that are material to the financial statements, in particular whether the Company has the ability to continue to hold the investments on a long-term basis.

We confirm that we have conducted an appropriate assessment of whether or not there was any indication that (investments in subsidiary undertakings, associate undertaking and investments at fair value through other comprehensive income) may be impaired. Our assessment did not reveal any impairment indications.

III. Other representations

Assets and liabilities

17) We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.

18) In our opinion on realization in the ordinary course of business, the current assets in statement of financial position are expected to produce no less than the carrying amounts at which they are stated.

19) We have no plans to abandon lines of product or other plans or intentions that will result in any excess or obsolete inventory, and no inventory is stated at an amount in excess of net realizable value.

20) Provisions

i) Full provision has been made for all liabilities at the reporting date including guarantees, commitments and contingencies where the items are expected to result in significant loss to the Company. Other such items, where in our opinion provision is unnecessary, have been appropriately disclosed in the financial statements.

Disclosures

21) We have recorded or disclosed, as appropriate, all capital stock repurchase options or agreements, and capital stock reserved for options, warrants, conversions and other requirements.

22) We have recorded or disclosed, as appropriate, all arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances and lines of credit or similar arrangements.

23) We have recorded or disclosed, as appropriate, all liabilities, both actual and contingent, and have disclosed in the notes to the financial statements all guarantees that we have given to third parties, including oral guarantees made by the Company on behalf of an affiliate, Director, officer or any other third party.

24) There are no other liabilities that are required to be recognised and no other contingent assets or contingent liabilities that are required to be disclosed in the financial statements in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets, including liabilities or contingent liabilities arising from illegal or possible illegal acts.

25) Taxation

We have provided you with all information related to all significant income tax uncertainties of which we are aware. We have also provided you with access to all opinions and analyses that relate to positions we have taken in regard to significant income tax matters.

26) Accounting estimates

i) We confirm that we have used appropriate measurement processes, including related assumptions and models, in determining the accounting estimate that are disclosed in the financial statements. We further confirm that measurement processes were consistently applied from year to year and that the assumptions appropriately reflect our intent and ability to carry out specific courses of action on behalf of the Company where relevant to the accounting estimates and disclosures.

ii) We confirm that disclosures related to accounting estimates are complete and appropriate under the IFRSs adopted by the EU.

iii) We confirm that no adjustments are required to be made to the accounting estimates and disclosures included in the financial statements as a result of subsequent events.

iv) We believe the assumptions and techniques used by us are appropriate and that all fair value measurements are determined in accordance with IFRS 13.

27) Functional Currency

We have considered which currency is the currency of the primary economic environment in which the Company operates (the "functional currency"). In making this assessment, we have used our judgment to determine the functional currency that most faithfully represents the underlying transactions, events and conditions of the Company. We have concluded that the functional currency of the Company is the Euro.

28) Financial Instruments

We confirm that we have disclosed information relating to the Company's exposures to risks arising from financial instruments that is adequate to enable users to evaluate the nature and extent of those risks to which the Company is exposed at the end of the reporting period, in accordance with IFRS 7, including the exposures to risks and how they arise, our objectives, policies and procedures for managing the risks, the methods used to measure risks, and a summary of quantitative data about our exposure to risks. We confirm that:

- Significant concentrations of credit risk arising from all financial instruments and information about the collateral supporting such financial instruments have been appropriately disclosed in the financial statements. Further, the quantitative data disclosed are representative of the Company's exposure to risks arising from financial instruments during the period.
- There are no outflows of cash that could occur significantly earlier than indicated in the summary quantitative data about exposure to liquidity risk, or that could be for significantly different amounts from those included in that data.

29) We confirm that we have appropriately performed impairment testing in accordance with IAS 36 Impairment of Assets.

30) Transactions with Directors/officers

Except as disclosed in the financial statements, no other transactions involving Directors, officers and others requiring disclosure in the financial statements under the Companies Law, Cap. 113 have been entered into.

Yours faithfully,
For and on behalf of the Board of Directors of Civico Limited

....
Christa Theodorou
Director